Complaint about unfair trade practices by Lohia Machines Limited Kanpur

1344. SHRI SURESH KALMADI: Will the Minister of INDUSTRY be pleased to state:

(a) whether the Consumer Education and Research Society of Ahmedabad has filed a complaint about the unfair trade practices committed by the Lohia Machines Limited, Kanpur;

(b) if so, what are the details thereof; and

(c) what action has been taken by Government in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) to (c) The MRTP Commission has received such a complaint. The complaint, inter-alia, states: (i) the representation made by the company to the public about adjustment of the advance amount and interest thereon was in the nature of a warranty or guarantee of a product or service and that the company had no intention to carry out the said warranty or guarantee; (ii) the company has utilised advances collected from the public for its own purpose with no corresponding benefits to the consumers; and (iii) the company has been refusing or delaying to refund the advances to the consumers.

The above complaint has been registered by the Commission as an unfair trade practice Enquiry No. 251/88 and sent to Director General of Investigation & Registration for a preliminary investigation.

Violation of guidelines by Lohia Machines Limited, Kanpur

1345. SHRI SURESH KALMADI: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that Lohia Machines Limited, Kanpur have violated the guidelines that 50 per cent of the consumer deposits should be invested in Government and public sector companies and the remaining 50 per cent with scheduled banks and public sector financial institutions; and

(b) if so, what are the details thereof and action taken against Lohia Machines Limited, Kanpur?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) and (b) M/s. LML Ltd. (formerly Lohia Machines Ltd.) have reported that the funds collected by them, as advance for the booking of vehicles, have been deployed as per the guidelines issued by the Ministry of Industry, in November, 1983. The company has further indicated that due to the heavy losses suffered during the last two years, and on account of a lock out in their factory, they had to resort to over drafts, as a result of which their deposits with scheduled banks etc. have become encumbered.

Quantity and value of tyres to be imported

1346. SHRI SURESH KALMADI: Will the Minister of INDUSTRY be pleased to refer to the answer to Starred Question 11 given in the Rajya Sabha on the 25th April, 1988 and state:

(a) what is the quantity and value of tyres proposed to be imported;

(b) whether the indigenous production is inadequate to meet the demand; and

(c) if so, what steps have been taken to increase the production?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) It is too early to firm up estimates of the quantity and the value of tyres which may be imported as per the decision of the Government